



MONTHLY REVENUE REPORT

APRIL 2019

Revenue from Michigan's General Fund and School Aid Fund earmarked taxes totaled \$2.7 billion in April 2019, a 15.1% increase from April 2018. April tax collections were approximately \$323.6 million above the level expected in the Senate Fiscal Agency's estimate for the month, based on the consensus revenue estimates adopted in January 2019. Greater-than-expected collections from individual income tax, use tax, and Corporate Income Tax (CIT) payments combined with lower-than-expected Michigan Business Tax (MBT) refunds to more than offset below-forecast sales tax collections.

Collections earmarked to the General Fund were \$282.3 million above the expected level for April 2019, while School Aid Fund tax collections were \$50.1 million above the forecasted level. The remaining \$8.8 million in below-forecast collections was directed to other funds, most notably constitutional revenue sharing. Through April 2019, fiscal year-to-date General Fund collections were \$149.8 million above, and School Aid Fund collections \$57.1 million below, the level expected based on the January 2019 consensus revenue estimates.

Net income tax revenue totaled \$1.4 billion in April 2019, up 24.4% from April 2018 and \$250.8 million above the level forecasted for the month. Withholding payments (which represented the majority of gross income tax revenue) were 4.3% above the year-ago level. Compared to April 2018, annual payments were up 56.6% and estimated payments were up 9.9%. Much of the increase in annual payments may be attributed to changes in taxpayer behavior during 2018, especially by those with pass-through business activity, in response to Federal income tax changes that were realized with April payments. Annual payments were \$260.7 million more than expected, but estimated payments were \$6.7 million below the forecasted level in April 2019, and refunds were \$22.4 million greater than what was expected. Fiscal year-to-date, net individual income tax collections were down 1.8%.

Sales tax receipts totaled \$645.6 million in April 2019, down 2.3% from April 2018 and \$47.2 million below the forecasted level. On a fiscal year-to-date basis, sales tax collections were up 2.2% from fiscal year (FY) 2017-18, but \$159.4 million below the forecasted level. April 2019 sales tax collections from motor vehicle sales were up 12.8% compared to April 2018, but fiscal year-to-date collections were down 2.4%. Use tax collections totaled \$187.6 million in April 2019, up 33.8% from April 2018 and \$46.9 million above the forecasted level. Fiscal year-to-date, use tax collections were up 1.2% from FY 2017-18, and \$59.4 million above the forecasted level.

Combined business tax collections from the Single Business Tax (SBT), MBT, and CIT totaled \$172.4 million for the month, up 13.9% from April 2018. April 2019 net CIT revenue was up 9.2% from April 2018, but \$4.7 million below the estimated level. Fiscal year-to-date CIT revenue was up 38.2%, and \$23.6 million more than expected. Also, net MBT revenue totaled \$11.3 million, \$77.0 million more than expected (as refunds were expected to exceed payments). Most taxpayers who still file the MBT do so to collect refundable tax credits. When these refunds will be claimed and processed will significantly affect the accuracy of monthly MBT estimates.

The table on the back of this report identifies the major taxes included in the report, and provides their respective revenue levels and growth rates for April 2019. Also presented are the revised consensus revenue estimates for FY 2018-19, which were adopted at the January 2019 Consensus Revenue Estimating Conference. The May 2019 consensus revenue estimates will be incorporated into the May 2019 report.



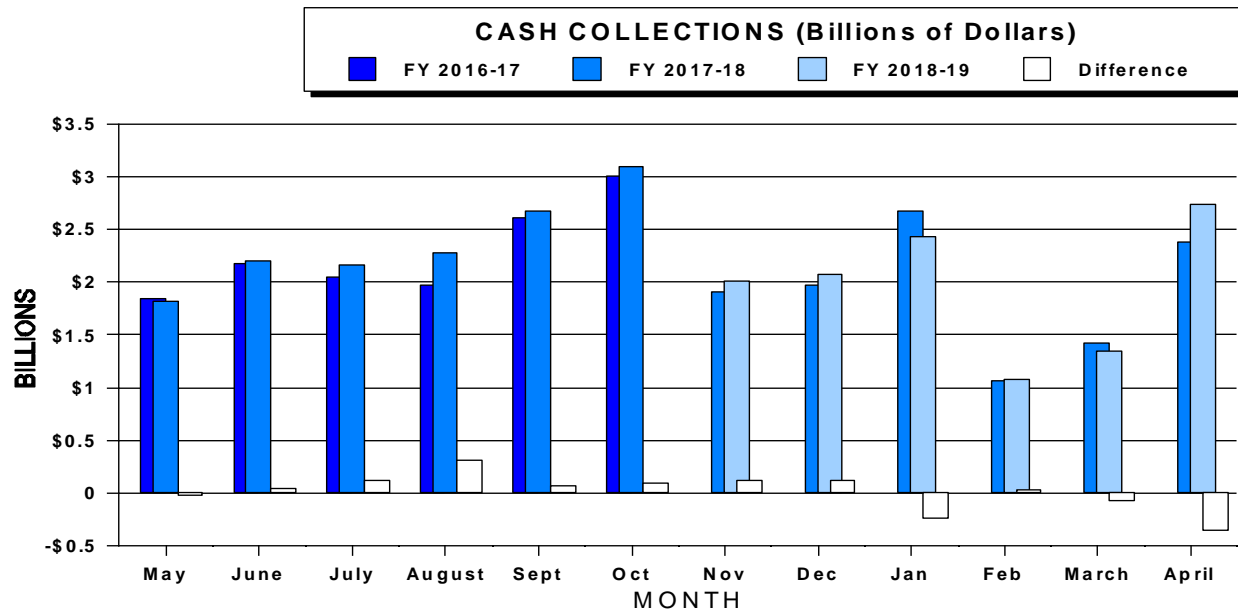
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MICHIGAN REVENUE UPDATE (dollars in millions)						
Type of Revenue	April Collections		FY 2018-19 to Date ²		FY 2018-19 CREC Estimate ^{3,4)}	
	Total ¹⁾	% Change From Year Ago	Total ¹⁾	% Change From Year Ago	Total	% Change From FY 2017-18
Gross Individual Income Tax	\$1,982.2	23.9%	\$6,791.2	1.2%	\$12,440.5	2.3%
Refunds	(573.1)	22.7	(1,723.2)	11.2	(\$2,254.2)	12.9
Net Income Tax	1,409.0	24.4	5,068.0	(1.8)	\$10,186.3	0.2
Sales Tax	645.6	(2.3)	3,858.7	2.2	8,516.7	5.4
Motor Vehicles	96.9	12.8	466.7	(2.4)	---	---
All Other Sales Tax	548.6	(4.6)	3,392.1	2.9	---	---
Use Tax ⁵⁾	187.6	33.8	882.4	1.2	1,700.0	(7.8)
Tobacco Taxes	64.9	(12.2)	422.5	(3.4)	919.1	(0.1)
Corporate Income Tax	153.9	9.2	583.4	38.2	1,081.4	4.6
Michigan Business Tax	11.3	---	(512.9)	---	(607.7)	(5.3)
Insurance Tax	67.3	(3.4)	174.4	(6.7)	390.0	(0.8)
Essential Services Assessment	0.0	---	(0.0)	---	107.0	7.8
State Education Property Tax	31.7	52.6	351.5	19.8	2,085.4	4.9
Real Estate Transfer Tax	19.8	(11.7)	146.2	0.2	352.9	0.7
Casino Wagering Tax ⁶⁾	10.1	0.8	59.7	3.3	115.0	(0.3)
Oil & Gas Severance Tax	1.0	(49.4)	11.8	(6.2)	27.0	3.1
Other Taxes ⁷⁾	40.6	140.5	91.3	(39.5)	310.0	(12.8)
Total Taxes	\$2,642.7	14.9%	\$11,136.9	2.3%	\$25,183.1	1.8%
Lottery, Net to School Aid Fund ⁶⁾	86.2	23.4	618.3	11.4	942.0	(3.9)
Total	\$2,729.0	15.1%	\$11,755.3	2.5%	\$26,125.1	1.6%

1) Total collections are unadjusted cash collections unless otherwise noted.
2) FY 2018-19 year-to-date collections begin with November 2018 collections to reflect accrual accounting.
3) Year-to-date figures represent cash collections only, while the fiscal year estimate also includes accruals.
4) Consensus revenue estimates adopted at the January 11, 2019, Consensus Revenue Estimating Conference.
5) Includes both the State share and the local share (Local Community Stabilization Authority).
6) Lottery and casino revenue is not accrued, so FY 2018-19 collections will include October 2018 to September 2019.
7) Other Taxes include beer, wine, liquor, single business tax, industrial facilities, utility property, estate taxes, and tax penalties and interest.

Actual Revenue Collections for Major State Taxes* May 2017 to April 2019



* Comparison of actual collections. Major taxes include the beer, casino wagering, estate, income, industrial facilities, insurance retaliatory, liquor, MBT, oil & gas severance, real estate transfer, sales, SBT, State education property, tobacco (cigarette & other tobacco products), use, utility property, wine taxes, the essential services assessment, net lottery revenue to the school aid fund, and tax penalties & interest revenue.